

INVEST ON THE HUMAN CAPITAL

by:
Wilfredo Y. Simbol
Applicant

Because of an increasing confidence in education as a catalyst for growth, many developing countries have increased their investments in education. In many rising countries, the public perception of financial gain from higher education has undoubtedly benefited the demand for higher education. Economic growth is supposed to be boosted by expanding educational opportunities and access.

A country's economic development and functioning are determined by its physical and human capital pool. While economic research has traditionally concentrated on physical capital, social and behavioral science research is increasingly examining factors that influence the development of human capacities and abilities.

In general, human capital refers to the investments people make in themselves in order to increase their economic production. Human Capital Theory (HCT) is the theoretical framework that underpins the successful implementation of educational and development programs. HCT is founded on the idea that formal education is both useful and necessary for increasing a population's productivity. Human capital theorists argue that an educated populace is more productive. Education, according to HCT, raises the degree of cognitive stock of economically productive human aptitude, which is a product of intrinsic abilities and investment in people. Formal education is seen as an investment in human capital, which advocates believe is as valuable as, if not more valuable than, physical capital.

Therefore, we should prioritize investing in human capital.

References:

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